

Report to	Corporate Governance Committee
Date of meeting	26 th January 2022
Lead Member / Officer	Julian Thompson Hill
Report author	Steve Gadd, Head of Finance and Property
Title	Update on Planning for Statement of Accounts 2021/22

1. What is the report about?

The council has a statutory duty to produce a statement of accounts that complies with approved accounting standards. This report provides an update on the planning and timing of the Statement of Accounts 2021/22.

2. What is the reason for making this report?

The Governance and Audit Committee has delegated responsibility to approve the audited accounts. This report reiterates the issues experienced last year and the implications that is having on the plans going forward to ensure the final accounts are approved by the committee in a timely manner.

3. What are the Recommendations?

3.1 To note the update on planning to ensure the timely completion of the Statement of Accounts 2021/22.

3.2 To agree to amend the committee's forward work programme to consider the Draft Statement of Accounts at the meeting on 27 July and to receive the Final Statement of Accounts and Audit Wales audit report at the meeting on 21 September.

4. Report details

Last year the Welsh Government again issued guidance that due to the ongoing impact of Covid the statutory deadlines for the completion of the Draft and Audited accounts would be extended as set out in the table below. DCC took the early decision to issue a notice to say that we would not be aiming for the statutory early deadline but would achieve the revised deadlines. This decision was taken in consultation with AW and informed by their assessment of their ability to complete the required audit work. We recognised that this would be a challenging year for all concerned to ensure all the information was available on time.

Item	Statutory Deadline	Extended Deadline
Draft Statement of Accounts	31 May 2021	31 August 2021
Audited Statement of Accounts	31 July 2021	30 November 2021

We worked closely with Audit Wales and other DCC services to reach a position where we were able to present a final set of accounts to the November meeting. However it was stressed at that meeting the impact of the delay on the work of the finance team:

- Firstly, the delay has meant that we have not had time to correct misstatements that we would normally have – these corrections will be made for next year’s accounts.
- Secondly, in a usual year the focus and energy of the Capital and Technical team from September turn to strategic capital planning, budget setting, addressing Internal Audit recommendations and planning for next year’s closure of accounts processes. All these activities have been put on hold for 3 additional months and will have an impact on service delivery going forwards.

It was also promised at that meeting that we would bring a report to this meeting to set out our plans for ensuring that the 2021/22 Statement of Accounts are completed in a timely fashion. Planning meetings have been held in December both internally and with Audit Wales. Those discussions have led to the proposal that we make an early decision that we will not be able to meet the Statutory Deadlines of 31 May and 31 July (which we have

never yet met) but that we will endeavour to ensure that we consolidate processes and aim to meet the traditional deadlines as set out in the table below:

Wednesday 15 June	Draft Single entity accounts completed
Friday 24 June	Draft Group accounts ready for signature
Wednesday 27 July	Draft Accounts to Governance & Audit Committee
Wednesday 21 September	Audited Final Accounts to Governance & Audit Committee

Unless the formal regulations change we will again need to issue a notice nearer the time to set out the proposed timetable and explain the reasons for not meeting the statutory deadlines. The main reasons are:

- The extended delay to completing the work on the 2020/21 Statement of Accounts has impacted the ability to plan and make further improvements to processes to allow us to honestly plan for completion of Draft Account by 31 May
- Discussions with Audit Wales have indicated that, even if that was a possibility, it is very unlikely that they would have resources available to ensure that a final audited set of accounts would be complete for presentation at the July meeting of this committee

As noted above this position has been discussed and agreed with Audit Wales.

5. How does the decision contribute to the Corporate Priorities?

The publication of the Statement of Accounts underpins the financial stewardship and governance of the council and therefore supports all council services and priorities.

6. What will it cost and how will it affect other services?

There are no additional cost implications as a result of this report.

7. What are the main conclusions of the Well-being Impact Assessment?

It is the professional judgement of the Section 151 Officer that a Well-being Impact Assessment is not required for this report.

8. What consultations have been carried out with Scrutiny and others?

The council's procedures and processes underpinning the production of the accounts are regularly reviewed by the Audit Wales. Professional opinions are drawn from numerous other disciplines beyond finance, such as legal, property valuation, HR and pensions.

9. Chief Finance Officer Statement

The Statement of Accounts is a key element of the council's governance framework. It is important that elected members are assured that the accounts have been produced in compliance with the relevant standards and that the process underpinning the production of the accounts is robust. The new proposed deadlines allow us to complete the Statement of Account process in a timely fashion while also ensuring that quality and accuracy is maintained.

10. What risks are there and is there anything we can do to reduce them?

The council would be in breach of its statutory duty if it could not approve the accounts by 30th November.

11. Power to make the decision

Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs. The Appointed Auditor is required by the Public Audit (Wales) Act 2004 to examine and certify the accounts of the council and must be satisfied that the accounts have been completed in compliance with the Accounts and Audit (Wales) Regulations 2018.